

STATE OF MICHIGAN  
**DESCRIPTIONS OF INTERNAL SERVICE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 1999

**CORRECTIONAL INDUSTRIES REVOLVING FUND**

This fund was created by P.A. 210 of 1935 and continued by P.A. 15 of 1968 to account for the financial transactions of a manufacturing and processing industry, employing inmates of the State's correctional institutions. Public Act 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax exempt organizations.

Public Act 205 of 1986 stipulates that the fund repay the General Fund for the cost of building and equipping prison factories included as part of new prison construction. The costs of buildings and equipment are to be repaid over 30 years and 10 years respectively. Executive Order 1992-13 required that for the fiscal year ending September 30, 1992, the payment must equal this fund's "available" cash, which resulted in a larger than scheduled repayment. As a result, no payment was required for fiscal year 1998-99.

**MOTOR TRANSPORT FUND**

This fund was created by P.A. 260 of 1947 and continued by P.A. 431 of 1984 to provide vehicle and travel services for State agencies. Activities include lease, purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short term usage. The Motor Transport Division vehicles are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are charged by Motor Transport Division on a monthly basis.

**OFFICE SERVICES REVOLVING FUND**

Created by P.A. 262 of 1952, this fund provides services in the following areas: printing, reproduction, microfilm, mailing, distribution of federal and state surplus property and materials management. The cost of the services or supplies is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment.

**INFORMATION TECHNOLOGY REVOLVING FUND**

This fund was created by administrative decision to provide telecommunication and information technology services for State agencies. The cost of providing services is charged to the user agencies.

**RISK MANAGEMENT FUND**

This fund was administratively established to account for certain centralized risk management functions performed by the Department of Management and Budget for other State agencies. Currently, the fund has assumed a degree of risk for the automotive liability. This activity and administrative functions are recorded as operating activity of the fund. An activity of the fund for which the fund assumes no risk is the centralized processing of workers' compensation payments for State agencies. Workers' compensation long-term claim liabilities are recorded in the General Long Term Obligations Account Group and the related current year workers' compensation expenditures are recorded in the applicable funds.

**STATE SPONSORED GROUP INSURANCE FUND**

This fund was administratively established to reflect the financial transactions of the State sponsored insurance plans which provide health, long-term disability, life, vision, and dental coverage for participating employees and retirees. The plans' funding methods range from those where the State is fully self-insured to those where an outside carrier assumes partial risk on a contracted basis. A note to the general purpose financial statements entitled "Risk Management" provides additional information about this fund.

The amounts reflected as advances and amounts due from other funds include reclassifications of other funds' negative balances in the common cash pool.